



State of Rhode Island and Providence Plantations
OFFICE OF HIGHER EDUCATION
80 Washington Street – Suite 524
Providence, Rhode Island 02903-3400

Eva-Marie Mancuso, Esq.
Chair

Patrick Guida, Esq.
Vice-Chair

Colleen A. Callahan, Ed.D.
Secretary

Enclosure 8d

November 13, 2013

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Antonio Barajas, M.D.

TO: Members of the RI Board of Education

Michael Bernstein

FROM: Clark Greene, Authorized Agent, Office of Higher Education

Karin Forbes

RE: Recommendation for the Allocation of the TIAA-CREF Revenue Credit Account balance.

Jo Eva Gaines

Michael Grande, CPA

William Maaia, Esq.

As the Board members are aware, the Board of Education maintains its own 403(b) retirement plan for its employees. Of the three vendors that supply investment portfolios for participants, TIAA-CREF maintains the largest amount of employee assets at approximately \$1.18B as of 12/31/2012.

Lawrence Purtill

Mathies Santos

At the Board of Governors' meeting of June 25, 2012, the Board authorized the establishment of a Revenue Credit account which receives the difference in the assignment of our specific plan expenses to the revenue generated by the plans' investments.

The Revenue Credit allocations may be used to pay "qualified" plan expenses, increase products and services to the plans and/or be reallocated to participants on a pro-rata or per capita basis at the end of each plan year. The majority of public plans are reallocating the entire amount to participants and most are distributing these amounts based on the individual account balances. My recommendation is to follow this format.

TIAA-CREF is now in need of instruction from the Board regarding the allocation of this revenue credit account balance. As of this date, the amount of the revenue credit attributable to the 2012 year was approximately \$745,000.

With the approval of the Board, the paperwork authorizing this distribution method may be submitted to TIAA-CREF for the allocation of the 2012 balances as well as those that will result in subsequent years.

Therefore, I recommend:

THAT the RI Board of Education approves the allocation of the TIAA-CREF Revenue Credit Account balance based on a pro-rata amount based on individual account balances.